

HOUSE BILL No. 1114

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-18-2; IC 20-19-2; IC 20-20-8; IC 20-24; IC 20-24.2-4; IC 20-26; IC 20-28; IC 20-30; IC 20-31; IC 20-32; IC 20-33-2-13; IC 20-35-8-1; IC 20-43-10-3; IC 20-51-1.

Synopsis: ISTEP. Replaces ISTEP program testing with the Indiana student achievement testing program (ISAT) for school years beginning after June 30, 2017. Provides that the department of education is responsible for the development and implementation of the ISAT program.

Effective: July 1, 2016; July 1, 2017.

Kersey

January 7, 2016, read first time and referred to Committee on Education.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1114

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-18-2-6, AS ADDED BY P.L.1-2005, SECTION
2 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2016]: Sec. 6. "Graduation examination" means:
4 (1) for school years ending before July 1, 2017, the test
5 designated by the board under the ISTEP program; and
6 (2) for school years beginning after June 30, 2017, the test
7 designed or purchased by the department under the ISAT
8 program.
9 SECTION 2. IC 20-18-2-9.5 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2016]: Sec. 9.5. "ISAT program" refers to the Indiana student
12 achievement testing program developed and administered under
13 IC 20-32-5.1.
14 SECTION 3. IC 20-19-2-8, AS AMENDED BY P.L.286-2013,
15 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2016]: Sec. 8. (a) In addition to any other powers and duties
17 prescribed by law, the state board shall adopt rules under IC 4-22-2



concerning, but not limited to, the following matters:

(1) The designation and employment of the employees and consultants necessary for the department. The state board shall fix the compensation of employees of the department, subject to the approval of the budget committee and the governor under IC 4-12-2.

(2) The establishment and maintenance of standards and guidelines for media centers, libraries, instructional materials centers, or any other area or system of areas in a school where a full range of information sources, associated equipment, and services from professional media staff are accessible to the school community. With regard to library automation systems, the state board may only adopt rules that meet the standards established by the state library board for library automation systems under IC 4-23-7.1-11(b).

(3) The establishment and maintenance of standards for student personnel and guidance services.

(4) The inspection of all public schools in Indiana to determine the condition of the schools. The state board shall establish standards governing the accreditation of public schools.

Observance of:

(A) IC 20-31-4;

(B) IC 20-28-5-2;

(C) IC 20-28-6-3 through IC 20-28-6-7;

(D) IC 20-28-11.5; and

(E) IC 20-31-3, IC 20-32-4, **for school years ending before July 1, 2017**, IC 20-32-5, **for school years beginning after June 30, 2017**, **IC 20-32-5.1**, and IC 20-32-8;

is a prerequisite to the accreditation of a school. Local public school officials shall make the reports required of them and otherwise cooperate with the state board regarding required inspections. Nonpublic schools may also request the inspection for classification purposes. Compliance with the building and site guidelines adopted by the state board is not a prerequisite of accreditation.

(5) The distribution of funds and revenues appropriated for the support of schools in the state.

(6) The state board may not establish an accreditation system for nonpublic schools that is less stringent than the accreditation system for public schools.

(7) A separate system for recognizing nonpublic schools under IC 20-19-2-10. Recognition of nonpublic schools under this



subdivision constitutes the system of regulatory standards that apply to nonpublic schools that seek to qualify for the system of recognition.

(8) The establishment and enforcement of standards and guidelines concerning the safety of students participating in cheerleading activities.

(9) Subject to IC 20-28-2, the preparation and licensing of teachers.

(b) Before final adoption of any rule, the state board shall make a finding on the estimated fiscal impact that the rule will have on school corporations.

SECTION 4. IC 20-19-2-14, AS AMENDED BY P.L.286-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. The state board shall do the following:

(1) Establish the educational goals of the state, developing standards and objectives for local school corporations.

(2) Assess the attainment of the established goals.

(3) Assure compliance with established standards and objectives.

(4) Coordinate with the commission for higher education (IC 21-18-1) and the department of workforce development (IC 22-4.1-2) to develop entrepreneurship education programs for elementary and secondary education, higher education, and individuals in the work force.

(5) Make recommendations to the governor and general assembly concerning the educational needs of the state, including financial needs.

(6) **For school years ending before July 1, 2017**, provide for reviews to ensure the validity and reliability of the ISTEP program.

SECTION 5. IC 20-20-8-6, AS AMENDED BY P.L.2-2007, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. A report must contain the following:

(1) The information listed in section 8 of this chapter for each of the preceding three (3) years.

(2) Additional components determined under section 7(4) of this chapter.

(3) Additional information or explanation that the governing body wishes to include, including the following:

(A) Results of nationally recognized assessments of students under programs other than the ISTEP program **or the ISAT program** that a school corporation, including a charter school,



uses to determine if students are meeting or exceeding academic standards in grades that are tested under the ISTEP program **or the ISAT program**.

(B) Results of assessments of students under programs other than the ISTEP program **or the ISAT program** that a school corporation uses to determine if students are meeting or exceeding academic standards in grades that are not tested under the ISTEP program **or the ISAT program**.

(C) The number and types of staff professional development programs.

(D) The number and types of partnerships with the community, business, or postsecondary education.

(E) Levels of parental participation.

SECTION 6. IC 20-20-8-8, AS AMENDED BY P.L.213-2015, SECTION 159, AND AS AMENDED BY P.L.220-2015, SECTION 2, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) The report must include the following information:

(1) Student enrollment.

(2) Graduation rate (as defined in IC 20-26-13-6) *and the graduation rate excluding students that who receive a graduation waiver under IC 20-32-4-4.*

(3) Attendance rate.

(4) The following test scores, including the number and percentage of students meeting academic standards:

(A) ~~ISTEP program test scores.~~ *All state standardized assessment scores.*

(B) Scores for assessments under IC 20-32-5-21 **for school years ending before July 1, 2017, and scores for assessments under IC 20-32-5.1-19 for school years beginning after June 30, 2017**, if appropriate.

(C) For a freeway school, scores on a locally adopted assessment program, if appropriate.

(5) Average class size.

(6) *The school's performance category or designation of school improvement assigned under IC 20-31-8.*

~~(6)~~ (7) The number and percentage of students in the following groups or programs:

(A) Alternative education, if offered.

(B) Career and technical education.

(C) Special education.

(D) High ability.



- 1 (E) Remediation.
- 2 (F) Limited English language proficiency.
- 3 (G) Students receiving free or reduced price lunch under the
- 4 national school lunch program.
- 5 (H) School flex program, if offered.
- 6 ~~(7)~~ (8) Advanced placement, including the following:
- 7 (A) For advanced placement tests, the percentage of students:
- 8 (i) scoring three (3), four (4), and five (5); and
- 9 (ii) taking the test.
- 10 (B) For the Scholastic Aptitude Test:
- 11 (i) test scores for all students taking the test;
- 12 (ii) test scores for students completing the academic honors
- 13 diploma program; and
- 14 (iii) the percentage of students taking the test.
- 15 ~~(8)~~ (9) Course completion, including the number and percentage
- 16 of students completing the following programs:
- 17 (A) Academic honors diploma.
- 18 (B) Core 40 curriculum.
- 19 (C) Career and technical programs.
- 20 ~~(9)~~ (10) The percentage of grade 8 students enrolled in algebra I.
- 21 ~~(10) The percentage of graduates who pursue higher education.~~
- 22 (11) The percentage of graduates considered college and career
- 23 ready in a manner prescribed by the state board.
- 24 ~~(11)~~ (12) School safety, including:
- 25 (A) the number of students receiving suspension or expulsion
- 26 for the possession of alcohol, drugs, or weapons;
- 27 (B) the number of incidents reported under IC 20-33-9; and
- 28 (C) the number of bullying incidents reported under
- 29 IC 20-34-6 by category.
- 30 ~~(12)~~ (13) Financial information and various school cost factors,
- 31 including the following:
- 32 (A) Expenditures per pupil.
- 33 (B) Average teacher salary.
- 34 (C) Remediation funding.
- 35 ~~(13) Technology accessibility and use of technology in~~
- 36 ~~instruction.~~
- 37 (14) Interdistrict and intradistrict student mobility rates, if that
- 38 information is available.
- 39 (15) The number and percentage of each of the following within
- 40 the school corporation:
- 41 (A) Teachers who are certificated employees (as defined in
- 42 IC 20-29-2-4).



(B) Teachers who teach the subject area for which the teacher is certified and holds a license.

(C) Teachers with national board certification.

(16) The percentage of grade 3 students reading at grade 3 level.

(17) The number of students expelled, including the number participating in other recognized education programs during their expulsion, *including the percentage of students expelled by race, grade, gender, free or reduced **price** lunch status, and eligibility for special education.*

(18) Chronic absenteeism, which includes the number of students who have been absent from school for ten percent (10%) or more of a school year for any reason.

(19) Habitual truancy, which includes the number of students who have been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school.

(20) The number of students who have dropped out of school, including the reasons for dropping out, *including the percentage of students who have dropped out by race, grade, gender, free or reduced **price** lunch status, and eligibility for special education.*

(21) *The number of out of school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced **price** lunch status, and eligibility for special education.*

(22) *The number of in school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced **price** lunch status, and eligibility for special education.*

~~(21)~~ (23) The number of student work permits revoked.

~~(22)~~ *The number of student driver's licenses revoked.*

~~(23)~~ *The number of students who have not advanced to grade 10 due to a lack of completed credits.*

~~(24)~~ *The number of students suspended for any reason.*

~~(25)~~ (24) The number of students receiving an international baccalaureate diploma.

~~(26)~~ ~~(25)~~ *Other indicators of performance as recommended by the education roundtable under IC 20-19-4.*

(b) *This subsection applies to schools, including charter schools, located in a county having a consolidated city, including schools located in excluded cities (as defined in IC 36-3-1-7). The information reported under subsection (a) must be disaggregated by race, grade, gender, free or reduced **price** lunch status, and eligibility for special education.*



SECTION 7. IC 20-24-4-1, AS AMENDED BY P.L.5-2015, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) A charter must meet the following requirements:

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for:
 - (A) not less than three (3) years or more than seven (7) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
 - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
 - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
 - (ii) describe improvements undertaken or planned for the charter school; and
 - (iii) detail the charter school's plans for the next charter term.
 - (E) Not later than October 1 in the year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than March 1 after the filing of the renewal application. The March 1 deadline does not apply to any review or appeal of a



- 1 final ruling. After the final ruling is issued, the charter school
- 2 may obtain further review by the authorizer of the authorizer's
- 3 final ruling in accordance with the terms of the charter school's
- 4 charter and the protocols of the authorizer.
- 5 (7) Specify the grounds for the authorizer to:
- 6 (A) revoke the charter before the end of the term for which the
- 7 charter is granted; or
- 8 (B) not renew a charter.
- 9 (8) Set forth the methods by which the charter school will be held
- 10 accountable for achieving the educational mission and goals of
- 11 the charter school, including the following:
- 12 (A) Evidence of improvement in:
- 13 (i) assessment measures, including the ISTEP **(for school**
- 14 **years ending before July 1, 2017), the ISAT (for school**
- 15 **years beginning after June 30, 2017),** and end of course
- 16 assessments;
- 17 (ii) attendance rates;
- 18 (iii) graduation rates (if appropriate);
- 19 (iv) increased numbers of Core 40 diplomas and other
- 20 college and career ready indicators including advanced
- 21 placement participation and passage, dual credit
- 22 participation and passage, and International Baccalaureate
- 23 participation and passage (if appropriate);
- 24 (v) increased numbers of academic honors and technical
- 25 honors diplomas (if appropriate);
- 26 (vi) student academic growth;
- 27 (vii) financial performance and stability; and
- 28 (viii) governing board performance and stewardship,
- 29 including compliance with applicable laws, rules and
- 30 regulations, and charter terms.
- 31 (B) Evidence of progress toward reaching the educational
- 32 goals set by the organizer.
- 33 (9) Describe the method to be used to monitor the charter
- 34 school's:
- 35 (A) compliance with applicable law; and
- 36 (B) performance in meeting targeted educational performance.
- 37 (10) Specify that the authorizer and the organizer may amend the
- 38 charter during the term of the charter by mutual consent and
- 39 describe the process for amending the charter.
- 40 (11) Describe specific operating requirements, including all the
- 41 matters set forth in the application for the charter.
- 42 (12) Specify a date when the charter school will:



- 1 (A) begin school operations; and
- 2 (B) have students attending the charter school.
- 3 (13) Specify that records of a charter school relating to the
- 4 school's operation and charter are subject to inspection and
- 5 copying to the same extent that records of a public school are
- 6 subject to inspection and copying under IC 5-14-3.
- 7 (14) Specify that records provided by the charter school to the
- 8 department or authorizer that relate to compliance by the
- 9 organizer with the terms of the charter or applicable state or
- 10 federal laws are subject to inspection and copying in accordance
- 11 with IC 5-14-3.
- 12 (15) Specify that the charter school is subject to the requirements
- 13 of IC 5-14-1.5.
- 14 (16) This subdivision applies to a charter established or renewed
- 15 for an adult high school after June 30, 2014. The charter must
- 16 require:
- 17 (A) that the school will offer flexible scheduling;
- 18 (B) that students will not complete the majority of instruction
- 19 of the school's curriculum online or through remote
- 20 instruction;
- 21 (C) that the school will offer dual credit or industry
- 22 certification course work that aligns with career pathways as
- 23 recommended by the Indiana career council established by
- 24 IC 22-4.5-9-3; and
- 25 (D) a plan:
- 26 (i) to support successful program completion and to assist
- 27 transition of graduates to the workforce or to a
- 28 postsecondary education upon receiving a diploma from the
- 29 adult high school; and
- 30 (ii) to review individual student accomplishments and
- 31 success after a student receives a diploma from the adult
- 32 high school.
- 33 (b) A charter school shall set annual performance targets in
- 34 conjunction with the charter school's authorizer. The annual
- 35 performance targets shall be designed to help each school meet
- 36 applicable federal, state, and authorizer expectations.
- 37 SECTION 8. IC 20-24-8-5, AS AMENDED BY P.L.221-2015,
- 38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2016]: Sec. 5. The following statutes and rules and guidelines
- 40 adopted under the following statutes apply to a charter school:
- 41 (1) IC 5-11-1-9 (required audits by the state board of accounts).
- 42 (2) IC 20-39-1-1 (unified accounting system).



- (3) IC 20-35 (special education).
- (4) IC 20-26-5-10 (criminal history).
- (5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).
- (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- (7) IC 20-28-10-14 (teacher freedom of association).
- (8) IC 20-28-10-17 (school counselor immunity).
- (9) For conversion charter schools only if the conversion charter school elects to collectively bargain under IC 20-24-6-3(b), IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- (10) IC 20-33-2 (compulsory school attendance).
- (11) IC 20-33-3 (limitations on employment of children).
- (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
- (13) IC 20-33-8-16 (firearms and deadly weapons).
- (14) IC 20-34-3 (health and safety measures).
- (15) IC 20-33-9 (reporting of student violations of law).
- (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- (17) IC 20-31-3, IC 20-32-4, IC 20-32-5, **IC 20-32-5.1**, IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) (academic standards, accreditation, assessment, and remediation).
- (18) IC 20-33-7 (parental access to education records).
- (19) IC 20-31 (accountability for school performance and improvement).
- (20) IC 20-30-5-19 (personal financial responsibility instruction).

SECTION 9. IC 20-24.2-4-3, AS AMENDED BY P.L.233-2015, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) Except as specifically provided in this article and section 4 of this chapter, the following provisions of this title and a rule or guideline adopted by the state board under one (1) of the following provisions of this title do not apply to a qualified district or qualified high school:

- (1) Provisions that do not apply to school corporations in general.
- (2) IC 20-20 (programs administered by the state), except for IC 20-20-1 (educational service centers) and IC 20-20-8 (school corporation annual performance report).
- (3) IC 20-28 (school teachers), except for IC 20-28-3-4 (teacher continuing education), IC 20-28-4-8 (hiring of transition to teaching participants; restrictions), IC 20-28-4-11 (transition to teaching participants; school corporation or subject area;



transition to teaching permit), IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported), IC 20-28-6 (teacher contracts), IC 20-28-7.5 (cancellation of teacher contracts), IC 20-28-8 (contracts with school administrators), IC 20-28-9 (teacher salary and related payments), IC 20-28-10 (conditions of employment), and IC 20-28-11.5 (staff performance evaluations).

(4) IC 20-30 (curriculum), except for IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances), IC 20-30-5-13 (human sexuality instructional requirements), and IC 20-30-5-19 (personal financial responsibility instruction).

(5) IC 20-32 (student standards, assessments, and performance), except for IC 20-32-4 (graduation requirements), **for school years ending before July 1, 2017**, IC 20-32-5 (Indiana statewide testing for educational progress), **for school years beginning after June 30, 2017, IC 20-32-5.1 (Indiana student achievement testing)**, and IC 20-32-8 (remediation).

(6) IC 20-36 (high ability students).

(7) IC 20-37 (career and technical education).

(b) Notwithstanding any other law, a school corporation may not receive a decrease in state funding based upon the school corporation's status as a qualified district or the status of a high school within the school corporation as a qualified high school, or because of the implementation of a waiver of a statute or rule that is allowed to be waived by a qualified district or qualified high school.

SECTION 10. IC 20-24.2-4-4, AS AMENDED BY P.L.233-2015, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. The following provisions of this title and rules and guidelines adopted under the following provisions of this title apply to a qualified district or qualified high school:

IC 20-20-1 (educational service centers).

IC 20-20-8 (school corporation annual performance report).

IC 20-23 (organization of school corporations).

IC 20-26 (school corporation general administrative provisions).

IC 20-27 (school transportation).

IC 20-28-3-4 (teacher continuing education).

IC 20-28-4-8 (hiring of transition to teaching participants; restrictions).

IC 20-28-4-11 (transition to teaching participants; school corporation or subject area; transition to teaching permit).

IC 20-28-5-8 (conviction of certain felonies; notice and hearing;



1 permanent revocation of license; data base of school employees
 2 who have been reported).
 3 IC 20-28-6 (teacher contracts).
 4 IC 20-28-7.5 (cancellation of teacher contracts).
 5 IC 20-28-8 (contracts with school administrators).
 6 IC 20-28-9 (teacher salary and related payments).
 7 IC 20-28-10 (conditions of employment).
 8 IC 20-28-11.5 (staff performance evaluations).
 9 IC 20-29 (collective bargaining for teachers).
 10 IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 11 observances).
 12 IC 20-30-5-13 (human sexuality instructional requirements).
 13 IC 20-30-5-19 (personal financial responsibility instruction).
 14 IC 20-31 (accountability for school performance and
 15 improvement).
 16 IC 20-32-4, **for school years ending before July 1, 2017,**
 17 **IC 20-32-5, for school years beginning after June 30, 2017,**
 18 **IC 20-32-5.1,** and IC 20-32-8 (accreditation, assessment, and
 19 remediation), or any other statute, rule, or guideline related to
 20 standardized assessments.
 21 IC 20-33 (students: general provisions).
 22 IC 20-34-3 (health and safety measures).
 23 IC 20-35 (special education).
 24 IC 20-39 (accounting and financial reporting procedures).
 25 IC 20-40 (government funds and accounts).
 26 IC 20-41 (extracurricular funds and accounts).
 27 IC 20-42.5 (allocation of expenditures to student instruction).
 28 IC 20-43 (state tuition support).
 29 IC 20-44 (property tax levies).
 30 IC 20-45 (general fund levies).
 31 IC 20-46 (levies other than general fund levies).
 32 IC 20-47 (related entities; holding companies; lease agreements).
 33 IC 20-48 (borrowing and bonds).
 34 IC 20-49 (state management of common school funds; state
 35 advances and loans).
 36 IC 20-50 (homeless children and foster care children).
 37 SECTION 11. IC 20-26-11-32, AS AMENDED BY P.L.39-2014,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2016]: Sec. 32. (a) This section does not apply to a school
 40 corporation if the governing body has adopted a policy of not accepting
 41 the transfer of any student who does not have legal settlement within
 42 the school corporation.



1 (b) The governing body of a school corporation shall annually
2 establish:

3 (1) except as provided in subsection (m), the number of transfer
4 students the school corporation has the capacity to accept in each
5 grade level; and

6 (2) the date by which requests to transfer into the school
7 corporation must be received by the governing body.

8 (c) After establishing the date under subsection (b)(2), the
9 governing body shall:

10 (1) publish the date on the school corporation's Internet web site;
11 and

12 (2) report the date to the department.

13 (d) The department shall publish the dates received from school
14 corporations under subsection (c)(2) on the department's Internet web
15 site.

16 (e) A student to whom this section applies may not request to
17 transfer under this section primarily for athletic reasons to a school
18 corporation in which the student does not have legal settlement.

19 (f) If the number of requests to transfer into a school corporation
20 received by the date established for the school corporation under
21 subsection (b)(2) exceeds the capacity established for the school
22 corporation under subsection (b)(1), each timely request must be given
23 an equal chance to be accepted, with the exception that a student
24 described in subsection (h) shall be given priority. The governing body
25 must determine which students will be admitted as transfer students to
26 each school building and each grade level within the school corporation
27 by a random drawing in a public meeting.

28 (g) Except as provided in subsections (i), (j), (k), and (m), the
29 governing body of a school corporation may not deny a request for a
30 student to transfer into the school corporation based upon the student's
31 academic record, scores on ISTEP tests **(for school years ending**
32 **before July 1, 2017) or ISAT tests (for school years beginning after**
33 **June 30, 2017)**, disciplinary record, or disability, or upon any other
34 factor not related to the school corporation's capacity.

35 (h) Except as provided in subsections (i), (j), and (k), the governing
36 body of a school corporation may not deny a request for a student to
37 transfer into the school corporation if the student requesting to transfer:

38 (1) is a member of a household in which any other member of the
39 household is a student in the transferee school; or

40 (2) has a parent who is an employee of the school corporation.

41 (i) A governing body of a school corporation may limit the number
42 of new transfers to a school building or grade level in the school



corporation:

(1) to ensure that a student who attends a school within the school corporation as a transfer student during a school year may continue to attend the school in subsequent school years; and

(2) to allow a student described in subsection (h) to attend a school within the school corporation.

(j) Notwithstanding subsections (g) and (h), a governing body of a school corporation may deny a request for a student to transfer to the school corporation, or establish terms or conditions for enrollment that prevent a student from enrolling in a school, if the student has been suspended (as defined in IC 20-33-8-7) or expelled (as defined in IC 20-33-8-3) during the twelve (12) months preceding the student's request to transfer under this section:

(1) for ten (10) or more school days;

(2) for a violation under IC 20-33-8-16;

(3) for causing physical injury to a student, a school employee, or a visitor to the school; or

(4) for a violation of a school corporation's drug or alcohol rules.

For purposes of subdivision (1), student discipline received under IC 20-33-8-25(b)(7) for a violation described in subdivisions (2) through (4) shall be included in the calculation of the number of school days that a student has been suspended.

(k) The governing body of a school corporation with a school building that offers a special curriculum may require a student who transfers to the school building to meet the same eligibility criteria required of all students who attend the school building that offers the special curriculum.

(l) The parent of a student for whom a request to transfer is made is responsible for providing the school corporation to which the request is made with records or information necessary for the school corporation to determine whether the request to transfer may be denied under subsection (j).

(m) Notwithstanding this section, the governing body of a school corporation may authorize the school corporation to enter into an agreement with an accredited nonpublic school or charter school to allow students of the accredited nonpublic school or charter school to transfer to a school within the school corporation.

(n) A school corporation that has adopted a policy to not accept student transfers after June 30, 2013, is not prohibited from enrolling a:

(1) transfer student who attended a school within the school corporation during the 2012-2013 school year; or



(2) member of a household in which any other member of the household was a transfer student who attended a school within the school corporation during the 2012-2013 school year.

However, if a school corporation enrolls a student described in subdivision (1) or (2), the school corporation shall also allow a student or member of the same household of a student who attended an accredited nonpublic school within the attendance area of the school corporation during the 2012-2013 school year to enroll in a school within the school corporation.

SECTION 12. IC 20-26-13-5, AS AMENDED BY P.L.286-2013, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) As used in this chapter, "graduation" means the successful completion by a student of:

(1) a sufficient number of academic credits, or the equivalent of academic credits; and

(2) the graduation examination or waiver process required under IC 20-32-3 through ~~IC 20-32-5~~; **IC 20-32-5.1**;

resulting in the awarding of a high school diploma or an academic honors diploma.

(b) The term does not include the granting of a general educational development diploma under IC 20-20-6 (before its repeal) or IC 22-4.1-18.

SECTION 13. IC 20-26-15-5, AS AMENDED BY P.L.286-2013, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-30-2-7

IC 20-30-5-8

IC 20-30-5-9

IC 20-30-5-11

511 IAC 6-7-6

511 IAC 6.1-5-0.5

511 IAC 6.1-5-1

511 IAC 6.1-5-2.5

511 IAC 6.1-5-3.5

511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.



(3) The following statutes and rules concerning curricular materials:

IC 20-26-12-24

IC 20-26-12-26

IC 20-26-12-1

IC 20-26-12-2

511 IAC 6.1-5-5.

(4) 511 IAC 6-7, concerning graduation requirements.

(5) IC 20-31-4, concerning the performance based accreditation system.

(6) **For school years:**

(A) ending before July 1, 2017, IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15 if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter; and

(B) beginning after June 30, 2017, IC 20-32-5.1, concerning the ISAT program, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

SECTION 14. IC 20-26-15-6, AS AMENDED BY P.L.2-2006, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

(1) Disregard the observance of any statute or rule that is listed in the contract.

(2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.

(3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting system used by a freeway school corporation or a freeway school.

(4) Establish a professional development and technology fund to be used for:

(A) professional development; or

(B) technology, including video distance learning.



1 However, any money deposited in the professional development
 2 and technology fund for technology purposes must be transferred
 3 to the school technology fund.

4 (5) Subject to subdivision (4), transfer funds obtained from
 5 sources other than state or local government taxation among any
 6 accounts of the school corporation, including a professional
 7 development and technology fund established under subdivision
 8 (4).

9 (6) Transfer funds obtained from property taxation and from state
 10 distributions among the general fund and the school
 11 transportation fund, subject to the following:

12 (A) The sum of the property tax rates for the general fund and
 13 the school transportation fund after a transfer occurs under this
 14 subdivision may not exceed the sum of the property tax rates
 15 for the general fund and the school transportation fund before
 16 a transfer occurs under this subdivision.

17 (B) This subdivision does not allow a school corporation to
 18 transfer to any other fund money from the:

19 (i) capital projects fund; or

20 (ii) debt service fund.

21 (7) Establish a locally adopted assessment program to replace the
 22 assessment of students **for school years ending before July 1,**
 23 **2017,** under the ISTEP program established under IC 20-32-5-15,
 24 **and for school years beginning after June 30, 2017, under the**
 25 **ISAT program,** subject to the following:

26 (A) A locally adopted assessment program must be established
 27 by the governing body and approved by the department.

28 (B) A locally adopted assessment program may use a locally
 29 developed test or a nationally developed test.

30 (C) Results of assessments under a locally adopted assessment
 31 program are subject to the same reporting requirements **for**
 32 **school years ending before July 1, 2017,** as results under the
 33 ISTEP program **or for school years beginning after June 30,**
 34 **2017, as results under the ISAT program.**

35 (D) Each student who completes a locally adopted assessment
 36 program and the student's parent have the same rights to
 37 inspection and rescoring:

38 (i) **for school years ending before July 1, 2017,** as set forth
 39 in IC 20-32-5-9; **and**

40 (ii) **for school years beginning after June 30, 2017, as set**
 41 **forth in IC 20-32-5.1-10.**

42 SECTION 15. IC 20-26-15-7, AS ADDED BY P.L.1-2005,



SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. The minimum educational benefits that a freeway school corporation or a freeway school must produce under this chapter are the following:

- (1) An average attendance rate that increases:
 - (A) not less than two percent (2%) each school year until the average attendance rate is eighty-five percent (85%); and
 - (B) one percent (1%) each school year until the average attendance rate is ninety percent (90%).
- (2) A successful completion rate of the assessment program by meeting essential standards **for school years ending before July 1, 2017**, under the ISTEP program (IC 20-32-5), **and for school years beginning after June 30, 2017, under the ISAT program (IC 20-32-5.1)** or a locally adopted assessment program established under section 6(7) of this chapter that increases:
 - (A) not less than two percent (2%) each school year until the successful completion rate is not less than eighty-five percent (85%); and
 - (B) one percent (1%) each school year until the successful completion rate is not less than ninety percent (90%);
 of the students in the designated grade levels **for school years ending before July 1, 2017**, under the ISTEP assessment program (IC 20-32-5), **and for school years beginning after June 30, 2017, under the ISAT program (IC 20-32-5.1)** or the locally adopted assessment program that are grades contained in the freeway school corporation or freeway school.
- (3) Beginning with the class of students who expect to graduate four (4) years after a freeway school corporation or a freeway school that is a high school obtains freeway status, a graduation rate as determined under 511 IAC 6.1-1-2(k) that increases:
 - (A) not less than two percent (2%) each school year until the graduation rate is not less than eighty-five percent (85%); and
 - (B) one percent (1%) each school year until the graduation rate is ninety percent (90%).

After a freeway school corporation or a freeway school has achieved the minimum rates required under subdivisions (1) through (3), the freeway school corporation or freeway school must either maintain the minimum required rates or show continued improvement of those rates.

SECTION 16. IC 20-28-8-5, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. The evaluation of a principal's performance may not be based wholly **for school years ending before July 1, 2017**,



on the ISTEP program test scores under IC 20-32-5, **and for school years beginning after June 30, 2017, on the ISAT program test scores**, of the students enrolled at the principal's school. However, **for school years ending before July 1, 2017**, the ISTEP program test scores under IC 20-32-5, **and for school years beginning after June 30, 2017, the ISAT program test scores**, of the students enrolled at a principal's school may be considered as one (1) of the factors in the evaluation of the principal's overall performance at the school.

SECTION 17. IC 20-28-11.5-7, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) This section applies to any teacher instructing students in a content area and grade subject to IC 20-32-4-1(a)(1) **(graduation examination)** and:

- (1) for school years ending before July 1, 2017, IC 20-32-5-2; and**
- (2) for school years beginning after June 30, 2017, IC 20-32-5.1-3.**

(b) A student may not be instructed for two (2) consecutive years by two (2) consecutive teachers, each of whom was rated as ineffective under this chapter in the school year immediately before the school year in which the student is placed in the respective teacher's class.

(c) If a teacher did not instruct students in the school year immediately before the school year in which students are placed in the teacher's class, the teacher's rating under this chapter for the most recent year in which the teacher instructed students, instead of for the school year immediately before the school year in which students are placed in the teacher's class, shall be used in determining whether subsection (b) applies to the teacher.

(d) If it is not possible for a school corporation to comply with this section, the school corporation must notify the parents of each applicable student indicating the student will be placed in a classroom of a teacher who has been rated ineffective under this chapter. The parent must be notified before the start of the second consecutive school year.

SECTION 18. IC 20-30-2-2.2, AS AMENDED BY P.L.233-2015, SECTION 222, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2.2. (a) As used in this section, "eligible student" means a student in grade 11 or 12 who has:

- (1) for:**
 - (A) school years ending before July 1, 2017, failed the ISTEP+ graduation exam at least twice; and**
 - (B) school years beginning after June 30, 2017, failed any**



combination of the ISTEP+ graduation exam and the ISAT graduation exam at least twice;

(2) been determined to be chronically absent, by missing ten percent (10%) or more of a school year for any reason;

(3) been determined to be a habitual truant, as identified under IC 20-33-2-11;

(4) been significantly behind in credits for graduation, as identified by an individual's school principal;

(5) previously undergone at least a second suspension from school for the school year under IC 20-33-8-14 or IC 20-33-8-15;

(6) previously undergone an expulsion from school under IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or

(7) been determined by the individual's principal and the individual's parent or guardian to benefit by participating in the school flex program.

(b) An eligible student who participates in a school flex program must:

(1) attend school for at least three (3) hours of instructional time per school day;

(2) pursue a timely graduation;

(3) provide evidence of college or technical career education enrollment and attendance or proof of employment and labor that is aligned with the student's career academic sequence under rules established by the Indiana bureau of child labor;

(4) not be suspended or expelled while participating in a school flex program;

(5) pursue course and credit requirements for a general diploma; and

(6) maintain a ninety-five percent (95%) attendance rate.

(c) A school may allow an eligible student in grade 11 or 12 to complete an instructional day that consists of three (3) hours of instructional time if the student participates in the school flex program.

SECTION 19. IC 20-30-4-2, AS AMENDED BY P.L.233-2015, SECTION 224, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. In consultation with the student's school counselor, after seeking consultation with each student's parents, and not later than the date on which the student completes grade 9, each student shall further develop the graduation plan developed in grade 6 under section 1.5 of this chapter to also include the following:

(1) The subject and skill areas of interest to the student.

(2) A program of study under the college/technology preparation curriculum adopted by the state board under IC 20-30-10-2 for



grades 10, 11, and 12 that meets the interests and aptitude of the student.

(3) Assurances that, upon satisfactory fulfillment of the plan, the student:

(A) is entitled to graduate; and

(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution.

(4) An indication of assessments (other than **for school years ending before July 1, 2017, ISTEP, for school years beginning after June 30, 2017, ISAT**, and the graduation examination) that the student plans to take voluntarily during grade 10 through grade 12, and which may include any of the following:

(A) The SAT Reasoning Test.

(B) The ACT test.

(C) Advanced placement exams.

(D) College readiness exams approved by the department.

(E) Workforce readiness exams approved by the department of workforce development established under IC 22-4.1-2.

SECTION 20. IC 20-31-3-1, AS AMENDED BY P.L.239-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The state board shall adopt clear, concise, and jargon free state academic standards that are comparable to national and international academic standards and the college and career readiness educational standards adopted under IC 20-19-2-14.5. These academic standards must be adopted for each grade level from kindergarten through grade 12 for the following subjects:

(1) English/language arts.

(2) Mathematics.

(3) Social studies.

(4) Science.

(b) For grade levels tested **for school years ending before July 1, 2017**, under the ISTEP program the academic standards must be based in part on the results of the ISTEP program. **For grade levels tested for school years beginning after June 30, 2017, under the ISAT program the academic standards must be based in part on the results of the ISAT program.**

SECTION 21. IC 20-31-4-10, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) During its onsite evaluation, a review panel shall review the following for a school:

(1) Teaching practices and administrative leadership in



instruction.

(2) Parental and community involvement.

(3) **For school years ending before July 1, 2017,** implementation of the ISTEP remediation program under IC 20-32-8 **and, for school years beginning after June 30, 2017, implementation of the ISAT remediation program under IC 20-32-8,** and the educational opportunity program for at-risk children.

(4) The homework policy.

(b) In addition to its review under subsection (a), the review panel shall verify compliance with the legal standards for accreditation under section 6 of this chapter.

SECTION 22. IC 20-31-7-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The student educational achievement fund is established to provide funds to stimulate and recognize improved student performance in meeting academic standards:

(1) for school years ending before July 1, 2017, under the ISTEP program; **and**

(2) for school years beginning after June 30, 2017, under the ISAT program.

The fund is administered by the department.

(b) The fund consists of appropriations from the general assembly.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 23. IC 20-31-7-6, AS AMENDED BY P.L.213-2015, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. The state board shall establish a system for awarding and distributing grants under this chapter. A system recommended under this section must be based on graduated levels of improvement based on:

(1) for school years ending before July 1, 2017, ISTEP program standards and other assessments approved by the state board;

(2) for school years beginning after June 30, 2017, through the school year specified by the state board, a transitional metric authorized by the state board based on a combination of improvement under ISTEP program standards and ISAT program standards and other assessments approved by the state board; and

(3) for school years beginning after the school year specified by the state board under subdivision (2), ISAT program standards and other assessments approved by the state board.



SECTION 24. IC 20-31-8-1, AS AMENDED BY P.L.213-2015, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The performance of a school's students on:

(1) for school years ending before July 1, 2017, the ISTEP program test;

(2) for school years beginning after June 30, 2017, through the school year specified by the state board, a transitional metric authorized by the state board based on a combination of improvement under ISTEP program tests and ISAT program tests; and

(3) for school years beginning after the school year specified by the state board under subdivision (2), ISAT program tests; and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing a school's improvement.

(b) The department of education shall examine and make recommendations to the state board concerning:

(1) performance indicators to be used as a secondary means of determining school progress;

(2) expected progress levels, continuous improvement measures, distributional performance levels, and absolute performance levels for schools; and

(3) an orderly transition from the performance based accreditation system to the assessment system set forth in this article.

(c) The department of education shall consider methods of measuring improvement and progress used in other states in developing recommendations under this section.

(d) The department of education may consider:

(1) the likelihood that a student may fail a graduation exam and require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5; and

(2) remedial needs of students who are likely to require remedial work while the students attend a postsecondary educational institution or workforce training program;

when making recommendations under this section.

SECTION 25. IC 20-31-8-2, AS AMENDED BY P.L.213-2015, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) In addition to scores on the ISTEP program test and ISAT program tests and other assessments, the department shall use the performance indicators developed by the state board and the benchmarks and indicators of performance in each



1 school corporation's annual performance report as a secondary means
2 of assessing the performance of each school and school corporation.

3 (b) The department shall assess school performance in the following
4 manner:

5 (1) Compare the academic performance and growth of the
6 individual students in each school and each school corporation
7 with the prior academic performance and growth of the individual
8 students in the school or school corporation and not to the
9 performance of other schools or school corporations.

10 (2) Compare the results in the annual report under IC 20-20-8
11 with the benchmarks and indicators of performance established in
12 the plan for the same school.

13 (3) Compare the results for a school by comparing each student's
14 results for each grade with the student's prior year results, with an
15 adjustment for student mobility rate.

16 (4) Compare the results for a school with the state average and the
17 ninety-fifth percentile level for all assessments and performance
18 indicators.

19 SECTION 26. IC 20-31-8-3, AS AMENDED BY P.L.239-2015,
20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2016]: Sec. 3. (a) The state board shall establish a number of
22 categories, using an "A" through "F" grading scale, to designate
23 performance based on the individual student academic performance
24 and growth to proficiency in each school.

25 (b) The state board, in consultation with the department, shall define
26 "low population schools" and shall determine the criteria for placing
27 low population schools in categories established under subsection (a).
28 In setting the definition and criteria for low population schools, the
29 state board shall not penalize schools based on population. An eligible
30 school (as defined in IC 20-51-1-4.7) may not be penalized under
31 IC 20-51-4-9 for the sole reason that the eligible school is considered
32 a low population school under this subsection. The state board's
33 definition and criteria may include the placement of a school that fits
34 the state board's definition in a "null" or "no letter grade" category.

35 (c) In developing metrics for the categories established under
36 subsection (a), the state board, in consultation with the department, to
37 the extent not inconsistent with federal law, shall consider the severity
38 of tested students' disabilities when using ISTEP or ISAT scores as a
39 means of assessing school performance.

40 SECTION 27. IC 20-32-2-2.3 IS REPEALED [EFFECTIVE JULY
41 1, 2017]. ~~Sec. 2-3. "ISTEP program test" includes any statewide,~~
42 ~~national, or international assessment that a student is required to~~



complete:

SECTION 28. IC 20-32-5-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 23. This chapter expires July 1, 2017.**

SECTION 29. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 5.1. Indiana Student Achievement Testing

Sec. 1. The purposes of the ISAT program developed under this chapter are as follows:

- (1) To assess the strengths and weaknesses of school performance.
- (2) To assess the effects of state and local educational programs.
- (3) To compare achievement of Indiana students to achievement of students on a national basis.
- (4) To provide a source of information for state and local decision makers with regard to educational matters, including the following:
 - (A) The overall academic progress of students.
 - (B) The need for new or revised educational programs.
 - (C) The need to terminate existing educational programs.
 - (D) Student readiness for postsecondary school experiences.
 - (E) Overall curriculum development and revision activities.
 - (F) Identifying students who may need remediation under IC 20-32-8.
 - (G) Diagnosing individual student needs.
 - (H) Teacher education and staff development activities.

Sec. 2. In carrying out its responsibilities under this chapter, the department may not delegate to any higher authority the responsibility of selecting tests.

Sec. 3. ISAT program tests shall be administered for school years beginning after June 30, 2017, in the grade levels determined by the state board in the following subject areas:

- (1) English/language arts.
- (2) Mathematics.
- (3) Science.
- (4) Social studies.

Sec. 4. The department shall authorize the development and



1 implementation of the ISAT program and select the tests used as
 2 ISAT program tests and is responsible for the overall development,
 3 implementation, and monitoring of the ISAT program. The ISAT
 4 program tests may be one (1) or more nationally recognized and
 5 norm-referenced assessment tests.

6 **Sec. 5.** The department shall determine the date in each school
 7 year on which statewide ISAT program testing is administered in
 8 each school corporation.

9 **Sec. 6.** The department shall make ISAT program scoring
 10 rubrics available to the public at least four (4) months before the
 11 administration of a test. An essay question, a scoring rubric, or an
 12 anchor paper used in the ISAT program may not seek or compile
 13 information about a student's:

- 14 (1) personal attitudes;
- 15 (2) political views;
- 16 (3) religious beliefs;
- 17 (4) family relationships; or
- 18 (5) other matters listed in IC 20-30-5-17(b).

19 The ISAT program citizens' review committee shall determine
 20 whether an essay question or a scoring rubric complies with this
 21 section.

22 **Sec. 7.** The scoring of student responses under the ISAT
 23 program test:

- 24 (1) must measure student achievement relative to the
- 25 academic standards established by the state board, including
- 26 the college and career readiness educational standards
- 27 established under IC 20-19-2-14.5;
- 28 (2) must adhere to scoring rubrics and anchor papers; and
- 29 (3) may not reflect the scorer's judgment of the values
- 30 expressed by a student in the student's responses.

31 **Sec. 8.** Reports related to tests administered as part of the ISAT
 32 program must:

- 33 (1) provide scores indicating student performance relative to
- 34 each of the academic standards:
- 35 (A) established by the state board; and
- 36 (B) assessed by the test;
- 37 (2) be related to passing scores established by the state board;
- 38 and
- 39 (3) contain the information listed in subdivisions (1) and (2)
- 40 for the following levels:
- 41 (A) Individual student.
- 42 (B) Classroom.



1 (C) School.

2 (D) School corporation.

3 (E) Indiana.

4 **Sec. 9. Reports of student scores must be:**

5 (1) returned to the school corporation that administered the
6 test; and

7 (2) accompanied by a guide for interpreting scores.

8 **Sec. 10. (a)** As used in this section, "ISAT program test"
9 includes any statewide assessment that a student is required to
10 complete in order to comply with Indiana's flexibility waiver
11 submitted to the United States Department of Education under
12 Section 9401 of the federal Elementary and Secondary Education
13 Act of 1965, as amended and reauthorized under the federal No
14 Child Left Behind Act of 2001 and subsequent federal laws (20
15 U.S.C. 7861).

16 (b) After reports of student scores for an ISAT program test are
17 returned to a school corporation, the school corporation shall
18 promptly do the following:

19 (1) Give each student and the student's parent the student's
20 ISAT program test scores.

21 (2) Make available for inspection to each student and the
22 student's parent the following:

23 (A) A copy of all questions that are not multiple choice or
24 true and false and all prompts used in assessing the
25 student.

26 (B) A copy of the student's scored responses.

27 (C) A copy of the anchor papers and scoring rubrics used
28 to score the student's responses.

29 A student's parent may request a rescoring of a student's responses
30 to an ISAT program test, including a student's essay.

31 (c) A student's ISAT program test scores may not be disclosed
32 to the public.

33 **Sec. 11.** After a school receives score reports for an ISAT
34 program test, the school shall schedule a parent/teacher conference
35 with the following:

36 (1) A parent of a student who requests a parent/teacher
37 conference on the scores of the student.

38 (2) The parent of each student who does not receive a passing
39 score on the test. The conference must include a discussion of:

40 (A) the student's test scores, including subscores on
41 academic standards; and

42 (B) the proposed remediation plan for the student.



1 **Sec. 12.** Each school corporation shall compile the total results
2 of the ISAT program tests in a manner that will permit evaluation
3 of learning progress within the school corporation. The school
4 corporation shall make the compilation of test results available for
5 public inspection and shall provide that compilation to the parent
6 of each student tested under the ISAT program.

7 **Sec. 13.** The department shall develop a format for publication
8 by school corporations in an annual performance report required
9 by statute of appropriate academic information required by the
10 department, including ISAT program test scores and information
11 required to be disaggregated by the department under section 14
12 of this chapter, in a manner that a reasonable person can easily
13 read and understand.

14 **Sec. 14. (a)** The school corporation shall provide the ISAT
15 program test results on a school by school basis to the department
16 upon request.

17 **(b)** The department shall disaggregate from the total results of
18 the ISAT program test results for a school corporation the
19 percentage of students in each school and each grade in the school
20 corporation that are identified as high ability students (as defined
21 by IC 20-36-1-3) by the school corporation who also achieved a
22 score in the highest performance level designated for the ISAT test.
23 However, this disaggregation is not required in a case in which the
24 results would reveal personally identifiable information about an
25 individual student under the federal Family Education Rights and
26 Privacy Act (20 U.S.C. 1232g et seq.).

27 **Sec. 15.** Upon request by the commission for higher education,
28 the department shall provide ISAT program test results to the
29 commission for those students for whom the commission under 20
30 U.S.C. 1232g has obtained consent.

31 **Sec. 16. (a)** The state superintendent shall develop an ISAT
32 program testing schedule in which:

33 **(1)** each student in the grades approved by the department
34 must be tested; and

35 **(2)** each student in grade 10 or grade 11 must take a
36 graduation examination.

37 **(b)** The department shall adopt rules to establish when a student
38 is considered to be in grade 10 for purposes of initially taking the
39 graduation examination.

40 **Sec. 17. (a)** A student who is a student with a disability (as
41 defined in IC 20-35-1-8) shall be tested under this chapter with
42 appropriate accommodations in testing materials and procedures



1 unless the individuals who develop the student's individualized
 2 education program determine that testing or a part of the testing
 3 under this chapter is not appropriate for the student and that an
 4 alternate assessment will be used to test the student's achievement.

5 (b) Any decision concerning a student who is a student with a
 6 disability (as defined in IC 20-35-1-8) regarding the student's:

7 (1) participation in testing under this chapter;

8 (2) receiving accommodations in testing materials and
 9 procedures;

10 (3) participation in remediation under IC 20-32-8; or

11 (4) retention at the same grade level for consecutive school
 12 years;

13 shall be made in accordance with the student's individualized
 14 education program in compliance with the ISAT program manual
 15 and federal law.

16 Sec. 18. (a) If a nonpublic school seeks accreditation as
 17 authorized under IC 20-19-2-8(a)(4), the governing body of the
 18 nonpublic school is entitled to acquire at no charge from the
 19 department:

20 (1) the ISAT program test; and

21 (2) the scoring reports used by the department.

22 (b) A nonpublic school seeking accreditation must:

23 (1) administer the ISAT program test to its students at the
 24 same time that school corporations administer the test; and

25 (2) make available to the department the results of the ISAT
 26 program testing.

27 Sec. 19. The department may establish assessments to
 28 supplement ISAT assessments for secondary school students.

29 Sec. 20. The department may adopt rules under IC 4-22-2,
 30 including emergency rules in the manner provided under
 31 IC 4-22-2-37.1, to implement this chapter.

32 SECTION 30. IC 20-32-8-11, AS AMENDED BY P.L.233-2015,
 33 SECTION 245, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2016]: Sec. 11. Notwithstanding the
 35 requirements of this chapter, any decisions made with regard to:

36 (1) attendance in a remediation program;

37 (2) ISTEP program testing **or ISAT program testing**; and

38 (3) the grade level placement;

39 for a student who is a student with a disability (as defined in
 40 IC 20-35-1-8) shall be made in accordance with the individualized
 41 education program, state law, and federal law.

42 SECTION 31. IC 20-33-2-13, AS AMENDED BY P.L.222-2015,



SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 13. (a) A school corporation shall record or include the following information in the official high school transcript for a student in high school:

(1) Attendance records.

(2) **For school years ending before July 1, 2017**, the student's latest ISTEP program test results under IC 20-32-5 (**expired effective July 1, 2017**) **and, for school years ending after June 30, 2017, the student's latest ISAT program test results.**

(3) Any secondary level and postsecondary level certificates of achievement earned by the student.

(4) Immunization information from the immunization record the student's school keeps under IC 20-34-4-1.

(5) Any dual credit courses taken that are included in the core transfer library under IC 21-42-5-4.

(b) A school corporation may include information on a student's high school transcript that is in addition to the requirements of subsection (a).

SECTION 32. IC 20-35-8-1, AS AMENDED BY P.L.229-2011, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Except as provided in subsection (b), if a student with legal settlement in a school corporation is transferred to attend school in another school corporation because of a disability or multiple disabilities, the transferor corporation shall:

(1) either:

(A) provide; or

(B) pay for, in the amount determined under section 2 of this chapter;

any transportation that is necessary or feasible, as determined under section 2 of this chapter and the rules adopted by the state board; and

(2) pay transfer tuition for the student to the transferee corporation in accordance with IC 20-26-11.

(b) If the student attends a school operated through:

(1) a joint school service and supply program; or

(2) another cooperative program;

involving the school corporation of the student's legal settlement, transportation and other costs shall be made in amounts and at the times provided in the agreement or other arrangement made between the participating school corporations.

(c) Student data, including ISTEP program testing scores, **ISAT program testing scores**, academic progress, grade level, and



1 graduation date, for a student described in subsection (a) shall be
 2 included in determinations for the school corporation in which the
 3 student has legal settlement.

4 SECTION 33. IC 20-43-10-3, AS AMENDED BY P.L.213-2015,
 5 SECTION 226, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) As used in this section,
 7 "achievement test" means a:

8 (1) test required by the ISTEP program **or the ISAT program, as**
 9 **applicable; or**

10 (2) Core 40 end of course assessment for the following:

11 (A) Algebra I.

12 (B) English 10.

13 (C) Biology I.

14 (b) As used in this section, "graduation rate" means the percentage
 15 graduation rate for a high school in a school corporation as determined
 16 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the
 17 requirements of graduation under subsection (c).

18 (c) As used in this section, "test" means either:

19 (1) a test required by the ISTEP program **or the ISAT program,**
 20 **as applicable; or**

21 (2) a Core 40 end of course assessment;

22 in the school year ending in the immediately preceding state fiscal year
 23 or, for purposes of a school year to school year comparison, in the
 24 school year immediately preceding that school year.

25 (d) A pupil meets the requirements of graduation for purposes of
 26 this section if the pupil successfully completed:

27 (1) a sufficient number of academic credits, or the equivalent of
 28 academic credits; and

29 (2) the graduation examination required under IC 20-32-3 through
 30 IC 20-32-5;

31 that resulted in the awarding of a high school diploma or an academic
 32 honors diploma to the pupil for the school year ending in the
 33 immediately preceding state fiscal year.

34 (e) Determinations for a school for a state fiscal year must be made
 35 using:

36 (1) the count of tests passed compared to the count of tests taken
 37 throughout the school;

38 (2) the graduation rate in the high school; and

39 (3) the count of pupils graduating in the high school.

40 (f) In determining grants under this section, a school corporation
 41 may qualify for the following two (2) grants each year:

42 (1) One (1) grant under subsection (h), (i), or (j).



(2) One (1) grant under subsection (k), (l), or (m).

(g) The sum of the two (2) grant amounts described in subsection (f), as determined for a school corporation under this section, constitutes an annual performance grant that is in addition to state tuition support. The annual performance grant for a state fiscal year shall be distributed to the school corporation before December 5 of that state fiscal year. If the:

(1) total amount to be distributed as performance grants for a particular state fiscal year exceeds the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations shall be proportionately reduced so that the total reduction equals the amount of the excess. The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the performance grant that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed as performance grants to all school corporations if a reduction were not made under this section; and

(2) total amount to be distributed as performance grants for a particular state fiscal year is less than the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations for that particular state fiscal year shall be proportionately increased so that the total amount to be distributed equals the amount of the appropriation for that particular state fiscal year.

The performance grant received by a school corporation shall be allocated among and used only to pay cash stipends to all teachers who are rated as effective or as highly effective and employed by the school corporation as of December 1. The lead school corporation or interlocal cooperative administering a cooperative or other special education program or administering a career and technical education program, including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37, or IC 36-1-7, shall award performance stipends to and carry out the other responsibilities of an employing school corporation under this section for the teachers in the special education program or career and technical education program. The amount of the distribution from an annual performance grant to an individual teacher is determined at the discretion of the governing body of the school corporation. The



governing body shall differentiate between the amount of the stipend awarded to a teacher rated as a highly effective teacher and a teacher rated as an effective teacher and may differentiate between school buildings. A stipend to an individual teacher in a particular year is not subject to collective bargaining and is in addition to the minimum salary or increases in salary set under IC 20-28-9-1.5. In addition, an amount determined under the policies adopted by the governing body but not exceeding fifty percent (50%) of the amount of a stipend to an individual teacher in a particular state fiscal year beginning after June 30, 2015, becomes a permanent part of and increases the base salary of the teacher receiving the stipend for school years beginning after the state fiscal year in which the stipend is received. The addition to base salary under this section is not subject to collective bargaining, is payable from funds other than the performance grant, and is in addition to the minimum salary and increases in salary set under IC 20-28-9-1.5. The school corporation shall complete the appropriation process for all stipends from a performance grant to individual teachers before December 31 of the state fiscal year in which the performance grant is distributed to the school corporation and distribute all stipends from a performance grant to individual teachers before the immediately following January 31. Any part of the performance grant not distributed as stipends to teachers before February must be returned to the department on the earlier of the date set by the department or June 30 of that state fiscal year.

(h) A school qualifies for a grant under this subsection if the school has more than seventy-five percent (75%) but less than ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) twenty-three dollars and fifty cents (\$23.50).

(i) A school qualifies for a grant under this subsection if the school has at least ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars (\$47).

(j) This subsection does not apply to a school corporation in its first



year of operation or to a school corporation that is entitled to a distribution under subsection (h) or (i). A school qualifies for a grant under this subsection if the school's school year over school year percentage growth rate of achievement tests receiving passing scores was at least one percent (1%), comparing the school year ending in the immediately preceding state fiscal year to the school year immediately preceding that school year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who had a passing score on their achievement test in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) one hundred sixty dollars (\$160).

(k) A school qualifies for a grant under this subsection if the school had a graduation rate of ninety percent (90%) or more for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) one hundred seventy-six dollars (\$176).

(l) A school qualifies for a grant under this subsection if the school had a graduation rate greater than seventy-five percent (75%) but less than ninety percent (90%) for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) eighty-eight dollars (\$88).

(m) This subsection does not apply to a school in its first year of operation or to a school corporation that is entitled to a distribution under subsection (k) or (l). A school qualifies for a grant under this subsection if the school's school year over school year percentage growth in its graduation rate is at least one percent (1%), comparing the graduation rate for the school year ending in the immediately preceding state fiscal year to the graduation rate for the school year immediately preceding that school year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who met the requirements for graduation in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) one thousand dollars (\$1,000).



(n) This section expires June 30, 2017.

SECTION 34. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.7. "Eligible school" refers to a public or nonpublic elementary school or high school that:

- (1) is located in Indiana;
- (2) requires an eligible choice scholarship student to pay tuition or transfer tuition to attend;
- (3) voluntarily agrees to enroll an eligible choice scholarship student;
- (4) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board;
- (5) **for school years ending before July 1, 2017**, administers the Indiana statewide testing for educational progress (ISTEP) program under IC 20-32-5, **and for school years beginning after June 30, 2017, administers the Indiana student achievement testing (ISAT) program;**
- (6) is not a charter school or the school corporation in which an eligible choice scholarship student has legal settlement under IC 20-26-11; and
- (7) submits to the department only the student performance data required for a category designation under IC 20-31-8-3.

SECTION 35. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss), SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

- (1) an eligible student is required to pay tuition or transfer tuition to attend;
- (2) voluntarily agrees to enroll an eligible student;
- (3) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board; and
- (4) administers:
 - (A) for a school year ending before July 1, 2017**, the tests under the Indiana statewide testing for educational progress (ISTEP) program or administers another nationally recognized and norm-referenced assessment of the school's students; **and**
 - (B) for a school year beginning after June 30, 2017**, the tests under the Indiana student achievement testing (ISAT) program or another nationally recognized and norm-referenced assessment of the school's students.

(b) The term does not include a public school in a school corporation where the eligible student has legal settlement under



1 IC 20-26-11.

